



# Department of Justice

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**FORMER MORTGAGE COMPANY EMPLOYEE SENTENCED TO FIVE YEARS IN  
PRISON FOR MORTGAGE FRAUD AND MONEY LAUNDERING**

Orlando, Florida - U.S. Attorney Robert E. O'Neill announces that U.S. District Judge Mary S. Scriven today sentenced Victor Cedeno (age 26) to five years in federal prison for his participation in a mortgage fraud conspiracy and for engaging in money laundering. In civil forfeiture proceedings, the Court ordered Cedeno to forfeit in excess of \$1.3 million, which are traceable to proceeds of the offense.

Cedeno was found guilty on October 5, 2010, after having pled guilty to charges of conspiracy to commit mail fraud, wire fraud, and possession of counterfeit private securities, and charges of money laundering.

According to court documents, Cedeno was employed as a Loss Mitigation Negotiator in the Loan Resolution Management Department of Taylor, Bean & Whitaker, a private mortgage lender in Central Florida. There, Cedeno and another Loss Mitigation Negotiator that he recruited, Richard Nanan, engaged in a fraudulent skimming scheme. Cedeno led the conspiracy and scheme to defraud, which was executed in several different ways. In some instances, the conspiracy and scheme to defraud unfolded as follows:

Cedeno would negotiate and approve short sales of foreclosed homes owned by

Taylor, Bean & Whitaker with mortgages for approximately ninety (90) percent of the mortgaged value of the properties. Cedenno would then direct the legitimate title company handling the closing to forward the payoff checks made payable from the bank accounts of the legitimate title companies to Taylor, Bean & Whitaker for approximately ninety (90) percent of the mortgaged value. During the course of his employment at Taylor, Bean & Whitaker, Cedenno would intercept the payoff checks. Those checks would then be fraudulently endorsed and deposited into the account of a shell company created solely to facilitate the fraud and controlled by Cedenno and another co-conspirator, Genesis Valdez. A wire transfer would then be made in an amount equal to approximately 80 percent of the homes' mortgaged value to another shell company controlled by Cedenno and Valdez. A check would be issued from that second shell company's account to Taylor, Bean & Whitaker for approximately 80 percent of the homes' mortgaged value. Finally, Taylor, Bean & Whitaker would be provided with fraudulent paperwork prepared by Cedenno that reflected that a settlement was reached at 80 percent of the mortgaged value, which amount would match the amount of the payoff check from the shell company. Cedenno and Valdez would retain any amount from the closing in excess of that 80 percent.

On August 12, 2009, Cedenno's work space at Taylor, Bean & Whitaker was sealed, and Cedenno never returned to work. The next day, Cedenno and Valdez executed bank account transfers to consolidate the remaining funds in the accounts of the shell companies, and then obtained an official Cashier's Check for the entire amount of those funds, approximately \$320,000.00. The purpose of those transfers was to consolidate the fraudulently derived proceeds and to allow those proceeds to be secreted outside the United States.

Richard Nanan and Genesis Valdez pled guilty to conspiracy charges for their participation in this mortgage fraud conspiracy. Nanan received a sentence of 12 months in prison, and Valdez received a sentence of five months in prison and seven months of home confinement. Nanan and Valdez received reduced sentences for cooperating with the government.

This case was investigated by the United States Secret Service. It was prosecuted by Assistant United States Attorney Daniel C. Irick.